

**CABINET  
30 JULY 2019**

**PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: THE DEVELOPMENT AGREEMENT FOR THE JOHN BARKER PLACE AREA OF HITCHIN

REPORT OF THE SERVICE DIRECTOR - REGULATORY

EXECUTIVE MEMBER FOR HOUSING AND ENVIRONMENTAL HEALTH

COUNCIL PRIORITY : RESPONSIVE AND EFFICIENT

**1. EXECUTIVE SUMMARY**

- 1.1 In 2013, settle (or North Hertfordshire Homes as they were known at the time) and the Council entered into a development agreement (DA) for the regeneration of the John Barker Place (JBP) area of Hitchin.
- 1.2 Although some of the items contained in the DA have been delivered, changes in the economic operating environment for registered providers has resulted in some elements remaining outstanding.
- 1.3 settle has recently submitted a new planning application for JBP that differs significantly from their previous plans in 2013. Officers are therefore of the view that the existing DA is no longer fit for purpose.
- 1.4 Should settle's latest scheme necessitate the need for another DA, officers should negotiate its terms and return to the Cabinet for it to be considered and decided.

**2. Recommendations**

- 2.1 That officers be authorised to assess the suitability of the existing DA and review if an alternative agreement is required for settle's new scheme.
- 2.2 Should a new DA be required, officers should negotiate its terms with settle and return to the Cabinet for it to be considered and decided.

### **3. REASONS FOR RECOMMENDATIONS**

- 3.1 The economic operating environment for registered providers has changed significantly and many items contained in the existing DA appear to be redundant. The Council's financial situation has also changed since 2013.

### **4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 Due to the newly proposed JBP scheme (as shown on the current planning application - 19/01416/HYA - submitted by settle), the existing DA is no longer considered fit-for-purpose. As a result, the option of leaving it in place without review has been discounted.
- 4.2 Termination of the current DA was considered, however until the necessity for (and potential content of) a new DA has been fully assessed, this is not recommended.

### **5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS**

- 5.1 The Executive Member for Housing and Environmental Health has been consulted and is supportive of the recommendations contained in this report.
- 5.2 settle have indicated their agreement to the Council's approach outlined in this report and have confirmed their participation in a review of whether a replacement DA is required, and if so, its contents.

### **6. FORWARD PLAN**

- 6.1 This report contains a recommendation on a key decision that was first notified to the public in the Forward Plan on the 13 June 2019.

### **7. BACKGROUND**

- 7.1 According to recent publications of the English Indices of Deprivation, the Oughton area of Hitchin (which includes JBP in Westmill) has been one of the most deprived wards in North Hertfordshire (its most recent statistical release from 2015 ranked the ward as the second<sup>1</sup> most deprived in the district).
- 7.2 The Council agreed to support settle's JBP regeneration project in both January 2013 and also July 2013 (please see Appendix A for the resolutions from both Cabinet meetings).
- 7.3 A DA for the regeneration project was produced to protect the interests of both parties; since this was agreed in 2013, settle has delivered its commitments for a new Westmill Community Centre and a relocated Multi-Use Games Area. Items such as additional affordable housing and new shops remain outstanding.

### **8. RELEVANT CONSIDERATIONS**

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<sup>1</sup> <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2015>

- 8.1 Since the original DA was signed in 2013, the operating environment has changed significantly for both settle and the Council. settle has developed a new regeneration scheme for JBP that differs significantly to that planned and referenced in the 2013 DA.
- 8.2 The Council has interests that could feature in an updated DA, such as a potential capital contribution, how suspended clawback will be applied (which accrues following land and property disposals by settle) and the granting of a lease on Council land that could be used for a new play area.
- 8.3 Should a new DA be required, it will be presented to the Cabinet for consideration and a decision, in due course. However, it may transpire that a new DA would serve no further purpose as there are existing regulatory and contractual controls that can be relied upon.

## **9. LEGAL IMPLICATIONS**

- 9.1 Cabinet's terms of reference include (at paragraph 5.6.15 of the Council's Constitution) "To oversee the provision of all the Council's services other than those functions reserved to the Council". The recommendations contained in this report are Executive functions and are therefore not matters reserved to Council.
- 9.2 Should a new DA be proposed, it will sit alongside the normal legal and regulatory functions of the Council, such as that of the Local Planning Authority.
- 9.3 The existing DA that was agreed in 2013 can be terminated by either party giving at least three months notice.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 The existing DA confirms that upon termination, settle will reimburse the Council for all costs incurred, up to the point of termination and arising from the termination itself.
- 10.2 The current DA includes a Council capital contribution of £1.096m; this remains in the Council's budget for the current financial year (although in the Quarter 1 Investment Strategy monitor this is shown as being reprogrammed to 2020/21).

## **11. RISK IMPLICATIONS**

- 11.1 As the 2013 DA is still in place, it technically commits both parties to a scheme that is no longer viable. This is misleading and could result in reputational damage for the Council.
- 11.2 If the existing DA is not reviewed, it may lead to a risk of the project not going ahead. This in turn may contribute to the ward remaining as one of the most deprived in North Hertfordshire.

## **12. EQUALITIES IMPLICATIONS**

- 12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.

- 12.2 The submission of the revised planning application and review of the DA may identify impacts on the community, as set out in this report. The original scheme in 2013 delivered positive equality implications in terms of increasing choice and availability of suitable social housing units (including that for single people or couples), enhanced supermarket provision and play areas close to the residential areas, and the delivery of a more flexible and adaptable community hall to the latest standards of build. The outstanding elements ought to continue these positive impacts for residents. If a new DA is necessary then an equality impact assessment may require completion.

### **13. SOCIAL VALUE IMPLICATIONS**

- 13.1 The Social Value Act and “go local” policy do not apply to this report.

### **14. HUMAN RESOURCE IMPLICATIONS**

- 14.1 There are no staffing implications arising as a result of the recommendations contained in this report.

### **15. APPENDICES**

- 15.1 Appendix A – JBP Cabinet resolutions from 2013

### **16. CONTACT OFFICERS**

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## **17. BACKGROUND PAPERS**

17.1 JBP Cabinet papers from January 2013 and July 2013:

<https://democracy.north-herts.gov.uk/CeListDocuments.aspx?Committeed=133&MeetingId=273&DF=29%2f01%2f2013&Ver=2> (minute 115)

<https://democracy.north-herts.gov.uk/CeListDocuments.aspx?Committeed=133&MeetingId=277&DF=30%2f07%2f2013&Ver=2> (minute 36)

17.2 Current planning application from settle submitted in June 2019 (<https://pa2.north-herts.gov.uk/online-applications>), reference 19/01416/HYA)

## **Appendix A – JBP Cabinet resolutions from 2013**

### **29 January, 2013: RESOLVED:**

- (1) That officers be authorised to enter into negotiations to produce a Development Agreement for the regeneration of John Barker Place, Westmill, Hitchin;
- (2) That the commitment of £1.096m be agreed for this scheme from the Council's budget for affordable housing, subject to the availability of capital funds;
- (3) That the proposal to use £865k from the Community Benefit Fund to finance a new Community Centre be supported; and
- (4) That it be agreed in principle that, subject to other regulatory approvals, the Community Centre can be rebuilt adjacent to its present location and the current building be subsequently demolished.

### **30 July, 2013: RESOLVED:**

- (1) That officers be authorised to enter into the Development Agreement for the regeneration of John Barker Place, Westmill, Hitchin, as attached at Appendix B to the report;
- (2) That the proposal to use the new amount of £1.327M, from the Community Benefit Fund, to finance a new Community Centre and development of the surrounding area,

be supported;

- (3) That the Council acquires ownership of the remaining area surrounding the Community Centre from North Hertfordshire Homes (NHH) for the sum of £1;
- (4) That the transfer of the Multi-Use Games Area (MUGA) from its current location, on NHH owned land, to Council owned land on the site of the existing Community Centre, be agreed;
- (5) That a waiver of the Council's Contract Procurement Rules, in relation to the appointment of a contractor for the regeneration project, be approved; and
- (6) That authority be delegated to the Chief Executive, in consultation with the relevant Portfolio Holder, to agree minor changes concerning any aspect of the regeneration scheme, providing they do not materially alter the agreed scheme.